RESERVE ANALYSIS REPORT

Volterra

Phoenix, Arizona

Version 003

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes a “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain association common areas and property values of individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis is prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis is prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. Projections define the timetables for repairs and replacements, such as when buildings will be painted or when asphalt will be seal coated. Projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. Component calculation method or directed cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. Minimum cash flow calculation method or directed cash flow calculation method s typically used to develop a baseline funding plan.

Threshold Funding
Describes goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. Minimum cash flow calculation method or directed cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/ objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the "floor" (minimum cash flow calculation method) and "ceiling" (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

Component Calculation Method

Component calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line" method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

Fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

Association's current reserve funds are assigned to (or distributed amongst) reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserve funds are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, the contribution increase parameter should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

One major benefit of using component calculation method is that for any single component (or group of components), reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management Summary and Charts as well as elsewhere within the report.

Minimum Cash Flow Calculation Method

Minimum cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves or percent funded through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides… Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

Directed Cash Flow Calculation Method

Directed cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides… Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

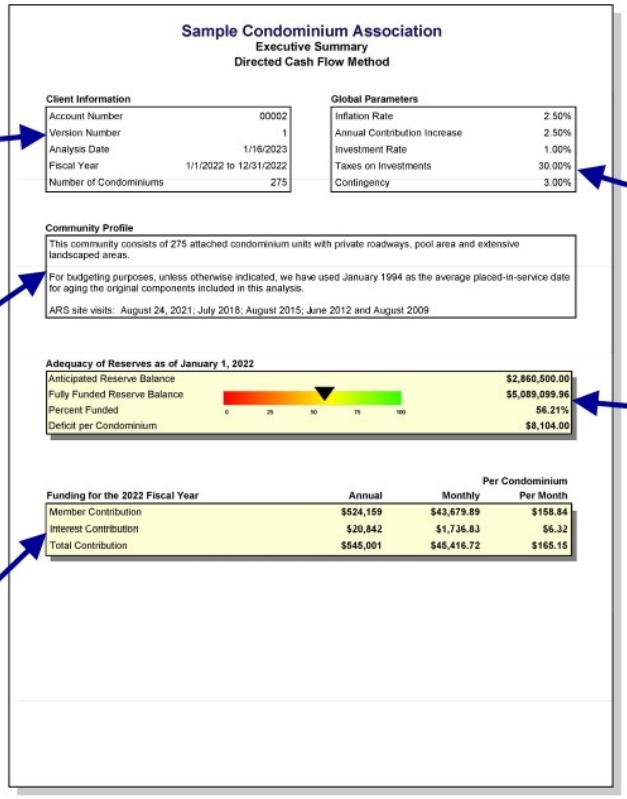
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information ("Component Detail"), of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary
Provides general information about project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

Community Profile
Provides brief description of community as well as other "global" comments.

Budget
Provides recommended funding for fiscal year for which reserve analysis is prepared. Indicates reserve funding from membership, anticipated interest contribution and total contribution requirement.



Sample Condominium Association
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	00002
Version Number	1
Analysis Date	1/16/2023
Fiscal Year	1/1/2022 to 12/31/2022
Number of Condominiums	275

Global Parameters

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile

This community consists of 275 attached condominium units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.

ARS site visits: August 24, 2021; July 2018; August 2015; June 2012 and August 2009

Adequacy of Reserves as of January 1, 2022

Anticipated Reserve Balance	$2,860,500.00
Fully Funded Reserve Balance	$5,089,099.96
Percent Funded	56.21%
Deficit per Condominium	$8,104.00

Funding for the 2022 Fiscal Year	Annual	Monthly	Per Condominium Per Month
Member Contribution	$524,159	$43,679.89	$158.84
Interest Contribution	$20,842	$1,736.83	$6.32
Total Contribution	$545,001	$45,416.72	$165.15

Global Parameters
Displays calculation parameters that were used to calculate reserve analysis including inflation, contribution increase, investment rate, tax rate and contingency.

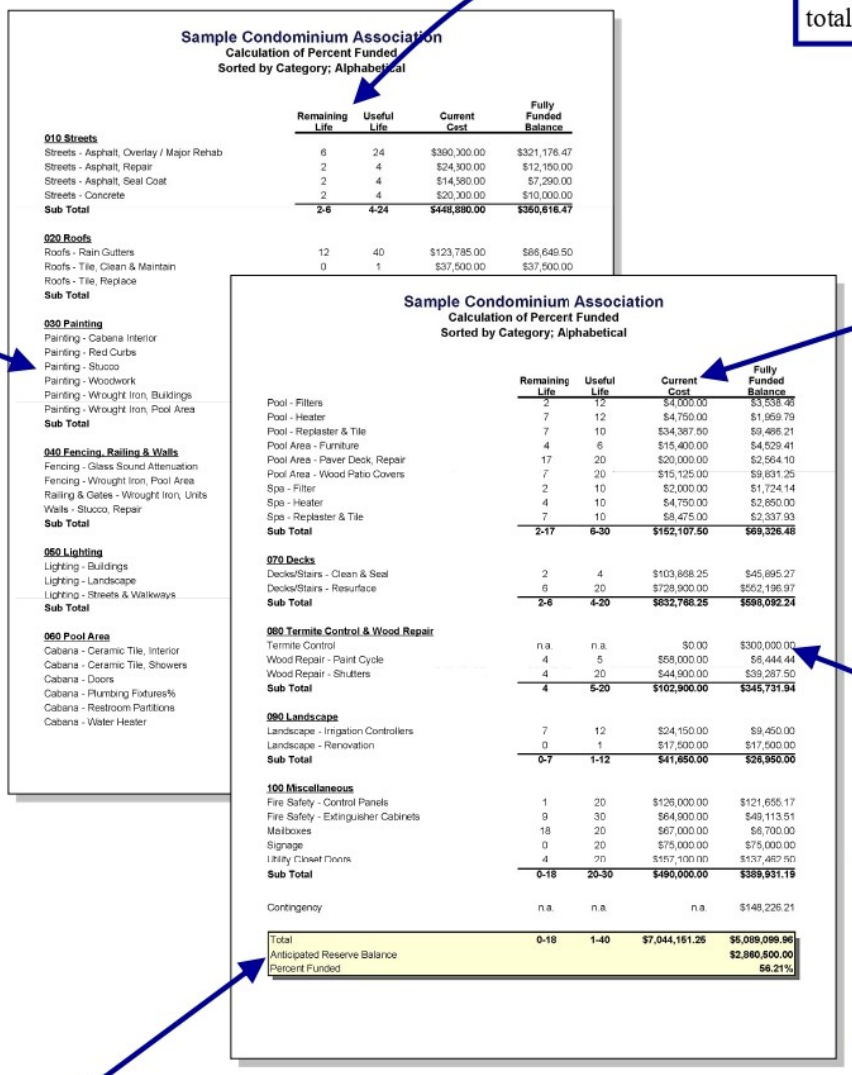
Adequacy of Reserves
Displays results of calculations with regard to "health" of reserve fund as of beginning of fiscal year for which the reserve analysis is prepared. Provides anticipated reserve balance, fully funded reserve balance and percent funded.

Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides remaining life, useful life, current cost and fully funded balance at beginning of fiscal year for which the reserve analysis is prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	6	24	$390,000.00	$321,176.47
Streets - Asphalt, Repair	2	4	$24,300.00	$12,150.00
Streets - Asphalt, Seal Coat	2	4	$14,580.00	$7,290.00
Streets - Concrete	2	4	$20,000.00	$10,000.00
Sub Total	**2-6**	**4-24**	**$448,880.00**	**$350,616.47**
020 Roofs				
Roofs - Rain Gutters	12	40	$123,785.00	$86,649.50
Roofs - Tile, Clean & Maintain	0	1	$37,500.00	$37,500.00
Roofs - Tile, Replace				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				

Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Filters	2	12	$4,000.00	$3,538.46
Pool - Heater	7	12	$4,750.00	$1,959.79
Pool - Replaster & Tile	7	10	$34,387.50	$9,486.21
Pool Area - Furniture	4	6	$15,400.00	$4,529.41
Pool Area - Paver Deck, Repair	17	20	$20,000.00	$2,564.10
Pool Area - Wood Patio Covers	7	20	$15,125.00	$9,631.25
Spa - Filter	2	10	$2,000.00	$1,724.14
Spa - Heater	4	10	$4,750.00	$2,850.00
Spa - Replaster & Tile	7	10	$8,475.00	$2,337.93
Sub Total	**2-17**	**6-30**	**$152,107.50**	**$69,326.48**
070 Decks				
Decks/Stairs - Clean & Seal	2	4	$103,868.25	$45,895.27
Decks/Stairs - Resurface	6	20	$728,900.00	$552,196.97
Sub Total	**2-6**	**4-20**	**$832,768.25**	**$598,092.24**
080 Termite Control & Wood Repair				
Termite Control	n.a.	n.a.	$0.00	$300,000.00
Wood Repair - Paint Cycle	4	5	$58,000.00	$8,444.44
Wood Repair - Shutters	4	20	$44,900.00	$39,287.50
Sub Total	**4**	**5-20**	**$102,900.00**	**$345,731.94**
090 Landscape				
Landscape - Irrigation Controllers	7	12	$24,150.00	$9,450.00
Landscape - Renovation	0	1	$17,500.00	$17,500.00
Sub Total	**0-7**	**1-12**	**$41,650.00**	**$26,950.00**
100 Miscellaneous				
Fire Safety - Control Panels	1	20	$126,000.00	$121,655.17
Fire Safety - Extinguisher Cabinets	9	30	$64,900.00	$49,113.51
Mailboxes	18	20	$67,000.00	$8,700.00
Signage	0	20	$75,000.00	$75,000.00
Utility Closet Doors	4	20	$157,100.00	$137,462.50
Sub Total	**0-18**	**20-30**	**$490,000.00**	**$389,931.19**
Contingency	n.a.	n.a.	n.a.	$148,226.21
Total	0-18	1-40	$7,044,151.25	$5,089,099.96
Anticipated Reserve Balance				$2,860,500.00
Percent Funded				56.21%

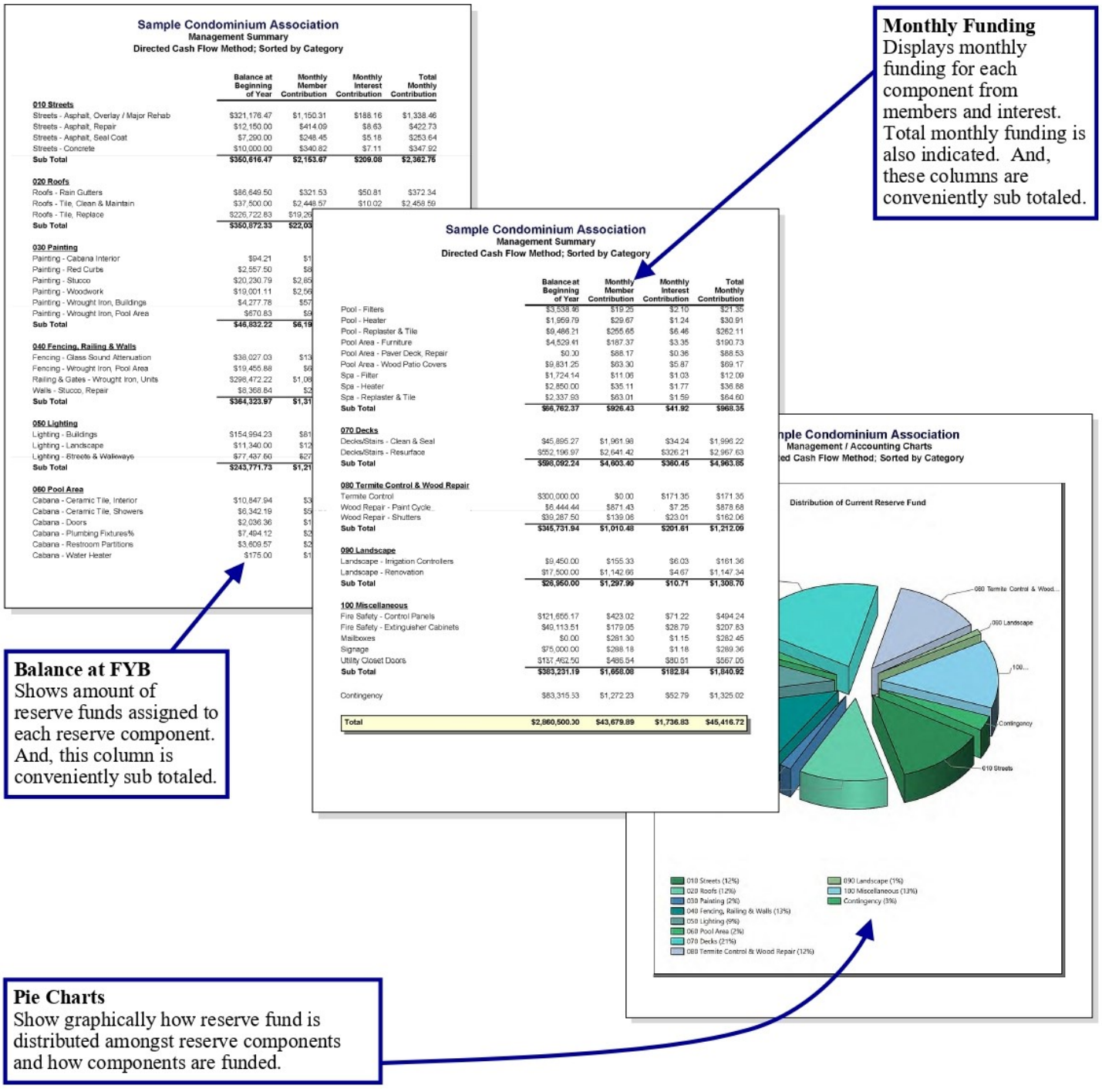
Current Cost
Displays current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays fully funded balance for each component. This column is conveniently sub totaled.

Total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at bottom of this summary. Also shown is range of reserve component remaining lives and useful lives.

Management Summary and Charts

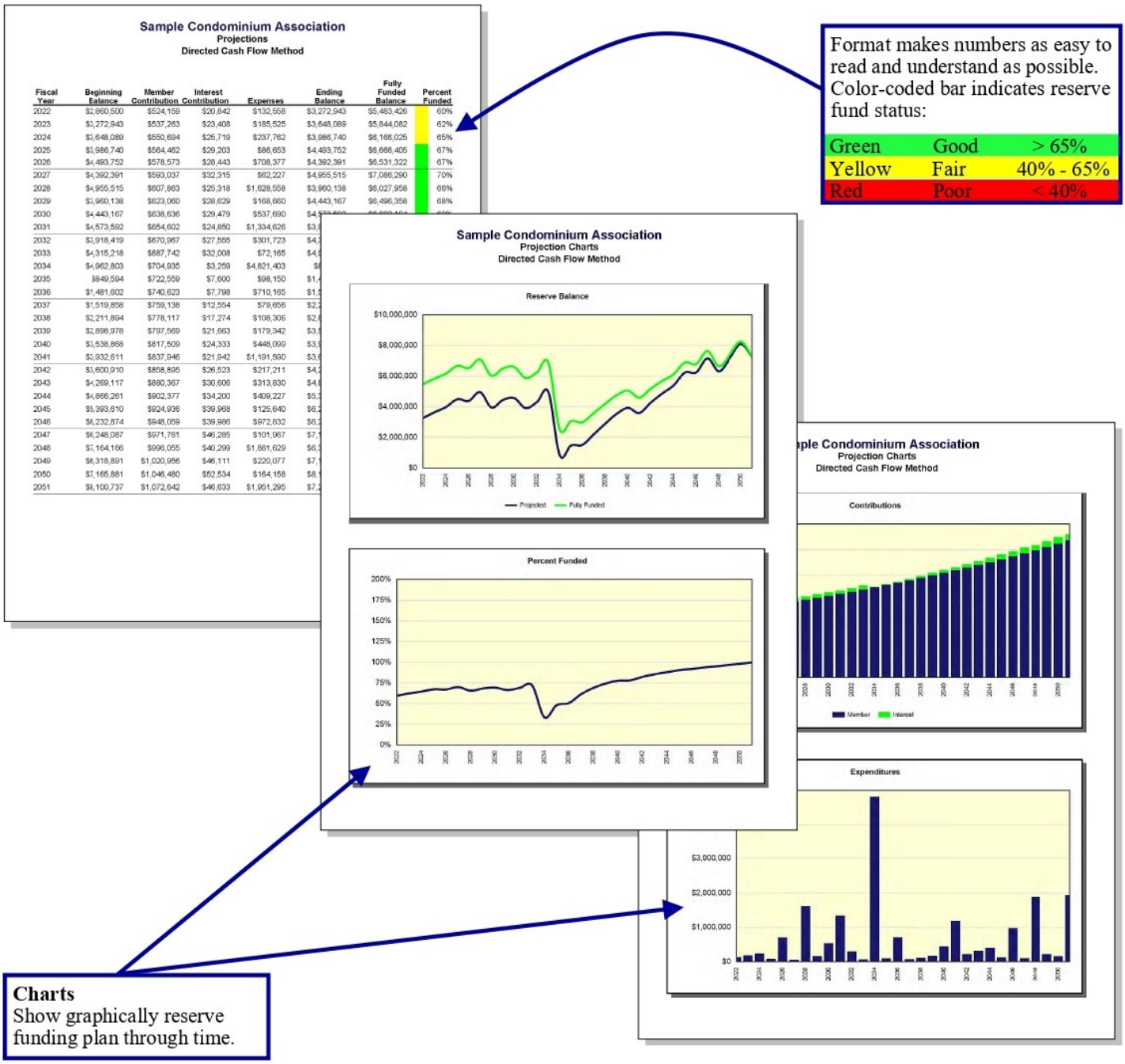
Summary displays all reserve components, shown here in "category" order. Provides assigned reserve funds at beginning of fiscal year for which reserve analysis is prepared along with monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how reserve fund is distributed amongst reserve component categories and how each category is funded on a monthly basis.



Preface

Projections and Charts

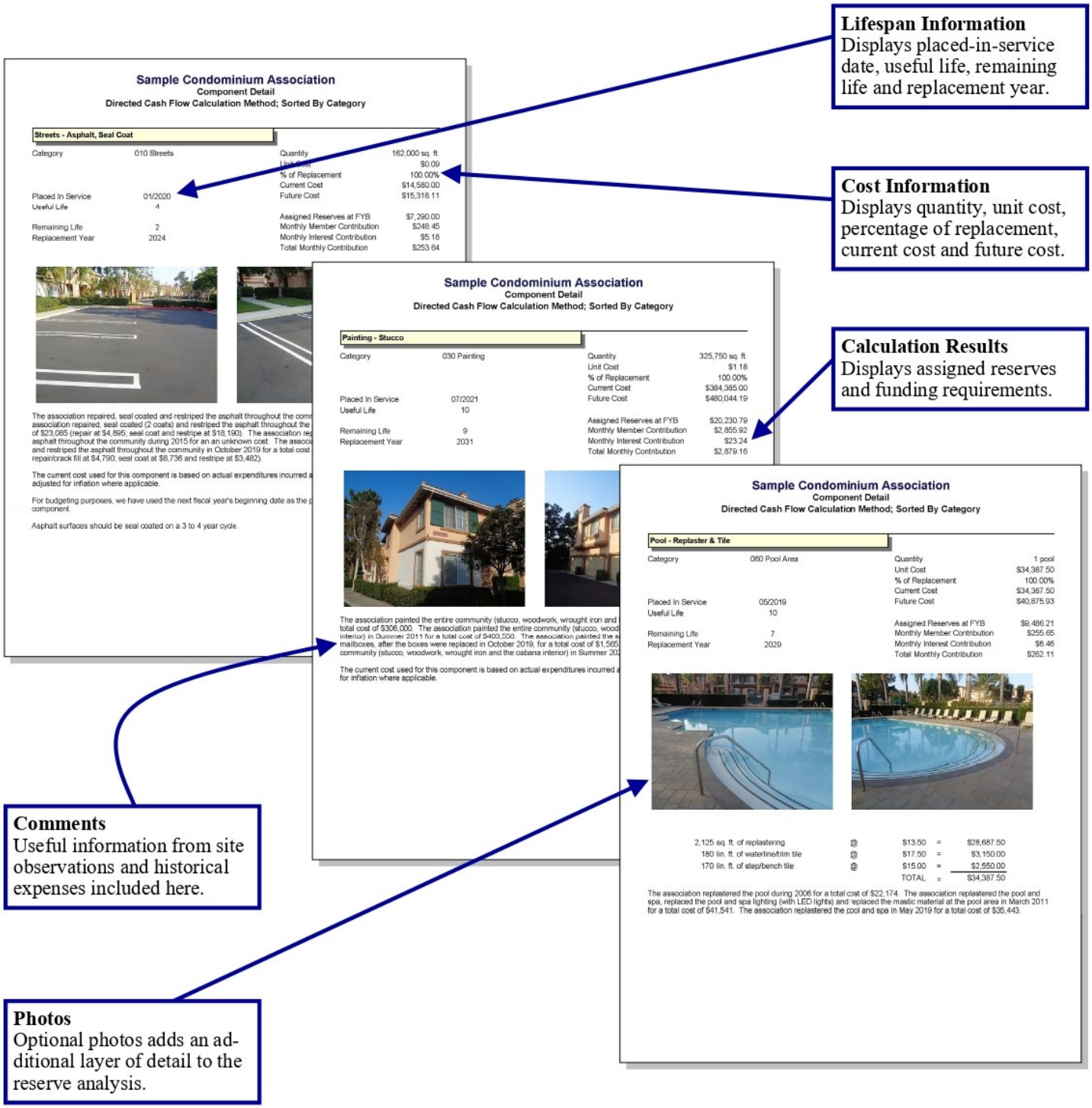
Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of projection period (shown here for 30 years). Two columns on the right-hand side provide fully funded ending balance and percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Anticipated Reserve Balance (or Reserve Funds)
Amount of money, as of a certain point in time, held by association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component has been assigned.

Assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Component Calculation Method
Reserve funding calculation method developed based on each individual reserve component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
Rate used as a built-in buffer in the calculation of a reserve funding plan. This rate will assign a percentage of reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward contingency each month.

Contribution Increase Parameter
Rate used in calculation of funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Current Replacement Cost
Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component is expected to cost to replace.

Directed Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Fiscal Year
Budget year for association for which reserve analysis is prepared. Fiscal year beginning (FYB) is first day of budget year; fiscal year end (FYE) is last day of budget year.

Fully Funded Reserve Balance
Amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

Fully funded reserve balance is the sum of the fully funded reserves for each reserve component.
An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve com-

ponents it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
Amount of money, as of fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
Financial parameters used to calculate reserve analysis. See also "inflation parameter," "contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
Rate used in calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

Investment Rate Parameter
Gross rate used in calculation of interest contribution (interest earned) from reserve balance and member contributions. This rate (net of taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate association expects to earn on their reserve fund investments.

Membership Contribution
Amount of money contributed to reserve fund by association's membership.

Minimum Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Monthly Contribution (and "Fixed" Monthly Contribution)
Amount of money, for fiscal year which reserve analysis is prepared, that a reserve component will be funded.

Monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than number of units. Examples include time-interval weeks for timeshare resorts or lot acreage (or square feet) for commercial/ industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
Measure of association's reserve fund "health," expressed as a percentage, as of a certain point in time. This number is the ratio of anticipated reserve fund balance to fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

Preface

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

An association that is 100% funded does not have all reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
Percentage of reserve component that is expected to be replaced.

For most reserve components, this percentage is 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%. Another example would be a component where partial replacement is expected, such as interior doors.

Placed-In-Service Date
Date (month and year) that a reserve component was originally put into service or last replaced.

Remaining Life
Length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
Length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for current cycle of replacement (only).

If current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
Fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
Rate used to offset investment rate parameter in the calculation of interest contribution. This parameter represents the marginal tax rate association expects to pay on interest earned by reserve funds and member contributions.

Total Contribution
Sum of membership contribution and interest contribution.

Useful Life
Length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

Representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, climate change, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the reserve components.

Volterra
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	2109
Version Number	003
Analysis Date	6/26/2023
Fiscal Year	1/1/2024 to 12/31/2024
Number of Units	594

Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	18.00%
Investment Rate	0.01%
Taxes on Investments	0.00%
Contingency	0.00%

Community Profile

This community was built in 2005. Refer to the Component Detail pages for the dates used to age the components examined in this analysis.

Reserve Balance as of April 30, 2023: $177,206

Remaining 2023 Reserve Contributions: $34,829 ($4,353.60/month x 8 months)

Remaining 2023 Interest to be Earned (0.01%): $11

Remaining 2023 Reserve Expenditures: $29,187 (LandCare Unlimited - two sections of granite replenishment)
6,448 (LandCare Unlimited - plant & tree installations)

Projected January 1, 2024 Reserve Balance: $176,411

REPORTS: 2004 (from plans). Updated 2018 & 2023.

Adequacy of Reserves as of January 1, 2024

Anticipated Reserve Balance		**$176,411.00**
Fully Funded Reserve Balance		**$354,304.13**
Percent Funded	0 25 50 75 100	**49.79%**

Funding for the 2024 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	**$61,647**	**$5,137.25**	**$8.65**
Interest Contribution	**$17**	**$1.43**	**$0.00**
Total Contribution	**$61,664**	**$5,138.68**	**$8.65**

Volterra

Distribution of Current Reserve Funds

Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds: Drywells, Headwalls, Catch Basins	0	$10,000.00	$10,000.00
Grounds: Irrigation Controller #? (Lot 205)	0	$1,200.00	$1,200.00
Grounds: Irrigation Controller #5	0	$1,200.00	$1,200.00
Grounds: Irrigation Controller #6	0	$1,200.00	$1,200.00
Grounds: Irrigation Controller #8	0	$3,000.00	$3,000.00
Paint: Ramada Roof Supports (Tot Lot #1)	0	$500.00	$500.00
Paint: Ramada Roof Supports (Tot Lot #2)	0	$500.00	$500.00
Paint: Ramada Roof Supports (Tot Lot #3)	0	$500.00	$500.00
Paint: Ramada Roof Supports (Tot Lot #4)	0	$500.00	$500.00
Paint: Wrought Iron & Trellises	0	$10,000.00	$10,000.00
Tot Lot #3: Picnic Table	0	$2,500.00	$2,500.00
Tot Lot #3: Trash Receptacle	0	$1,250.00	$1,250.00
Tot Lot #4: Trash Receptacle	0	$1,250.00	$1,250.00
Grounds: Mailboxes, Pedestal Sets (2005)	1	$110,200.00	$110,200.00
Paint: Steel Split Rail Fencing	1	$3,600.00	$3,600.00
Tot Lot #2: Picnic Table	2	$2,115.38	$2,115.38
Grounds: Granite Replenishment	3	$25,000.00	$13,979.57
Grounds: Wood Chip Replenishment (Tot Lots)	3	$3,384.62	$3,384.62
Tot Lot #1: SolarKing Components	3	$2,382.86	$2,382.86
Tot Lot #2: SolarKing Components	3	$2,382.86	$2,382.86
Tot Lot #3: SolarKing Components	3	$2,382.86	$2,382.86
Tot Lot #4: SolarKing Components	3	$2,382.86	$2,382.86
Tot Lot #1: Trash Receptacles	4	$1,833.33	$0.00
Tot Lot #2: Benches	4	$1,833.33	$0.00
Tot Lot #2: Trash Receptacle	4	$916.67	$0.00
Tot Lot #3: Benches	4	$1,833.33	$0.00
Tot Lot #4: Benches	4	$1,848.00	$0.00
Paint: Walls, Wrought Iron, Trellises, Etc.	5	$32,500.00	$0.00
Tot Lot #1: Ramada Roof Structure	6	$6,080.00	$0.00
Tot Lot #2: Ramada Roof Structure	6	$4,560.00	$0.00
Tot Lot #3: Ramada Roof Structure	6	$4,560.00	$0.00
Tot Lot #4: Ramada Roof Structure	6	$4,560.00	$0.00
Grounds: Irrigation Controller #4	7	$627.27	$0.00
Grounds: Irrigation Controller #1	11	$320.00	$0.00
Grounds: Irrigation Controller #2	11	$320.00	$0.00
Grounds: Irrigation Controller #9	11	$320.00	$0.00
Walls: Block (Repair/Replace)	11	$45,679.04	$0.00

Volterra

Distribution of Current Reserve Funds

Sorted by Remaining Life; Alphabetical

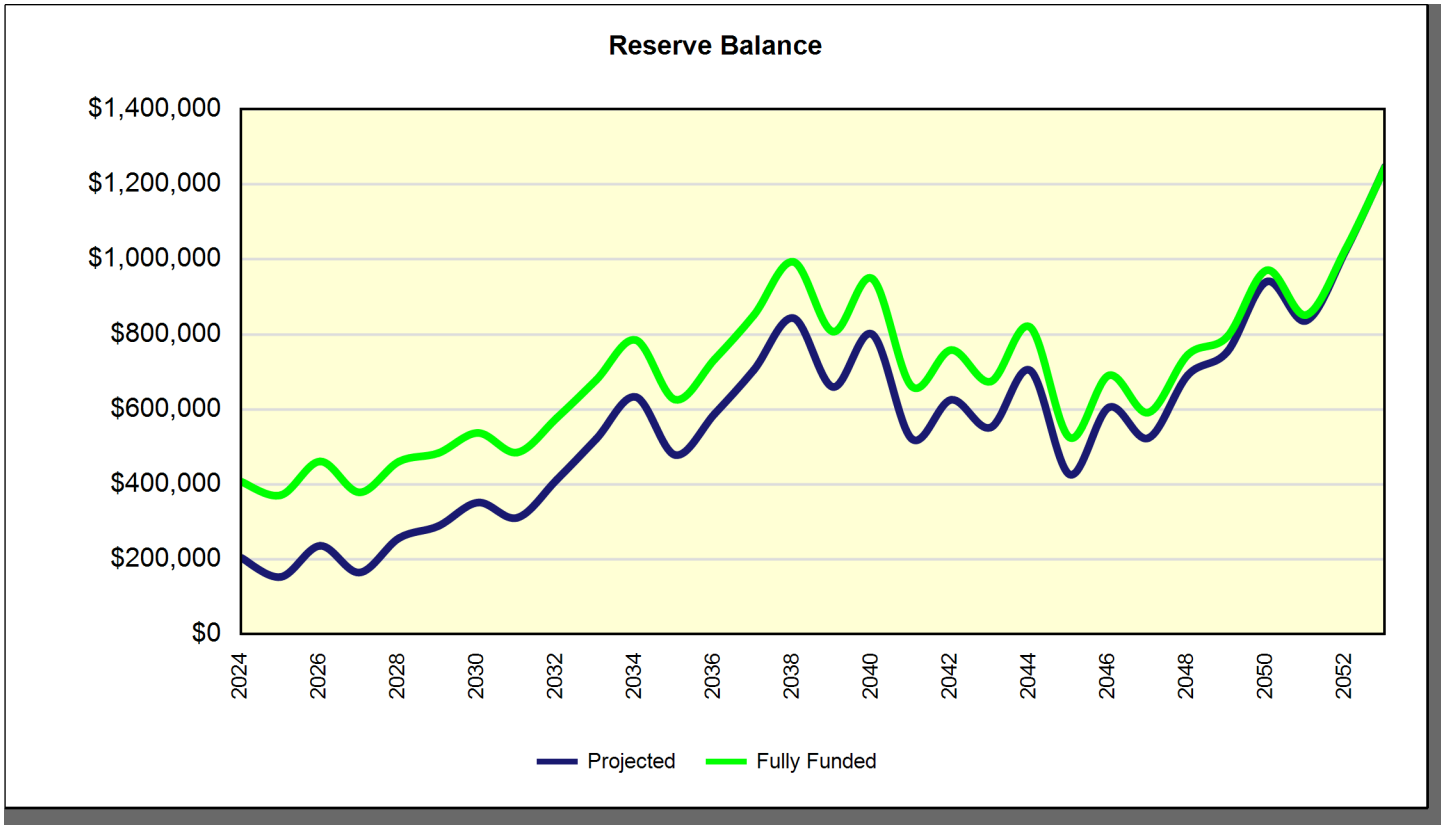
	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds: Irrigation Controller #3	12	$240.00	$0.00
Grounds: Irrigation Controller #7	12	$240.00	$0.00
Tot Lot #1: Shade Structure (Fabric)	12	$890.00	$0.00
Tot Lot #4: Picnic Table	13	$321.23	$0.00
Grounds: Mailboxes, Pedestal Sets (2018)	14	$780.00	$0.00
Tot Lot #1: Playstructure	17	$12,000.00	$0.00
Tot Lot #2: Playstructure	17	$8,135.59	$0.00
Tot Lot #3: Playstructure	17	$8,406.78	$0.00
Tot Lot #4: Playstructure	17	$8,700.00	$0.00
Fencing: Wrought Iron (Replace)	21	$19,368.13	$0.00
Fencing: Steel Split Rail (Unfunded)	n.a.	$0.00	$0.00
Grounds: Concrete Components (Unfunded)	n.a.	$0.00	$0.00
Grounds: Irrigation System (Unfunded)	n.a.	$0.00	$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-21**	**$354,304.13**	**$176,411.00**
Percent Funded			**49.79%**

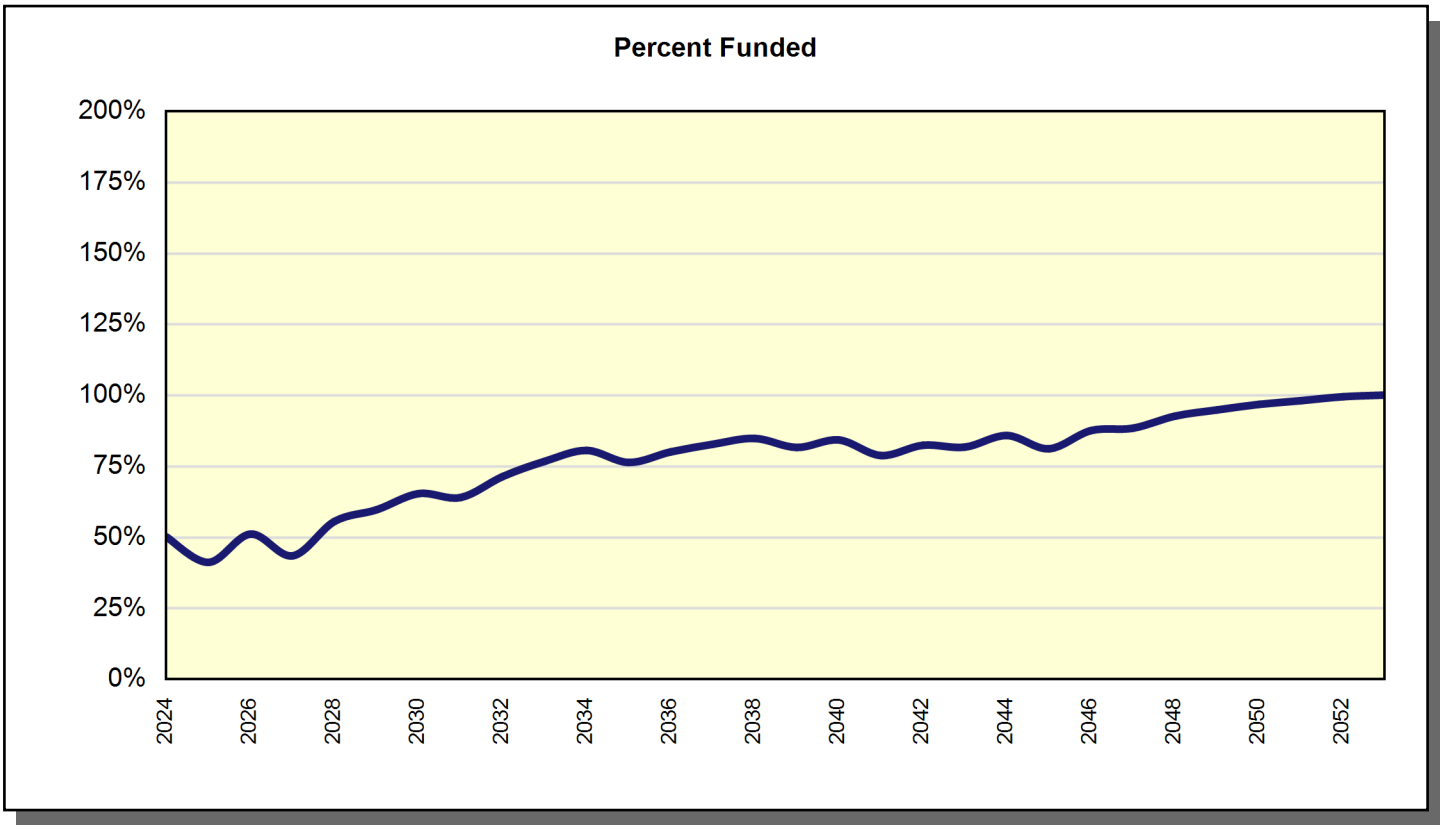
Volterra
Projections
Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2024	$176,411	$61,647	$17	$33,600	$204,475	$407,408	50%
2025	$204,475	$72,743	$11	$124,115	$153,115	$371,188	41%
2026	$153,115	$85,837	$19	$2,652	$236,319	$461,341	51%
2027	$236,319	$101,288	$11	$172,651	$164,967	$378,801	44%
2028	$164,967	$104,428	$20	$12,684	$256,731	$460,994	56%
2029	$256,731	$107,665	$23	$75,353	$289,066	$483,622	60%
2030	$289,066	$111,003	$29	$48,359	$351,739	$537,323	65%
2031	$351,739	$114,444	$25	$155,210	$310,998	$485,248	64%
2032	$310,998	$117,992	$35	$16,468	$412,556	$577,264	71%
2033	$412,556	$121,649	$46	$13,048	$521,203	$678,396	77%
2034	$521,203	$125,421	$57	$13,439	$633,241	$785,077	81%
2035	$633,241	$129,309	$41	$284,079	$478,511	$626,060	76%
2036	$478,511	$133,317	$52	$24,024	$587,856	$733,430	80%
2037	$587,856	$137,450	$63	$19,825	$705,544	$851,744	83%
2038	$705,544	$141,711	$77	$3,933	$843,399	$993,479	85%
2039	$843,399	$146,104	$58	$329,666	$659,895	$807,568	82%
2040	$659,895	$150,633	$72	$10,431	$800,169	$948,607	84%
2041	$800,169	$155,303	$44	$433,873	$521,643	$661,383	79%
2042	$521,643	$160,117	$54	$56,180	$625,634	$758,501	82%
2043	$625,634	$165,081	$46	$238,950	$551,811	$674,334	82%
2044	$551,811	$170,198	$61	$18,061	$704,009	$819,334	86%
2045	$704,009	$175,474	$33	$452,795	$426,722	$525,209	81%
2046	$426,722	$180,914	$51	$2,299	$605,387	$690,701	88%
2047	$605,387	$186,523	$42	$268,408	$523,544	$591,629	88%
2048	$523,544	$192,305	$59	$24,394	$691,514	$745,620	93%
2049	$691,514	$198,266	$65	$136,096	$753,749	$794,018	95%
2050	$753,749	$204,412	$83	$17,468	$940,776	$971,040	97%
2051	$940,776	$210,749	$72	$315,090	$836,508	$851,959	98%
2052	$836,508	$217,282	$91	$30,887	$1,022,994	$1,027,325	100%
2053	$1,022,994	$224,018	$113	$0	$1,247,124	$1,245,213	100%

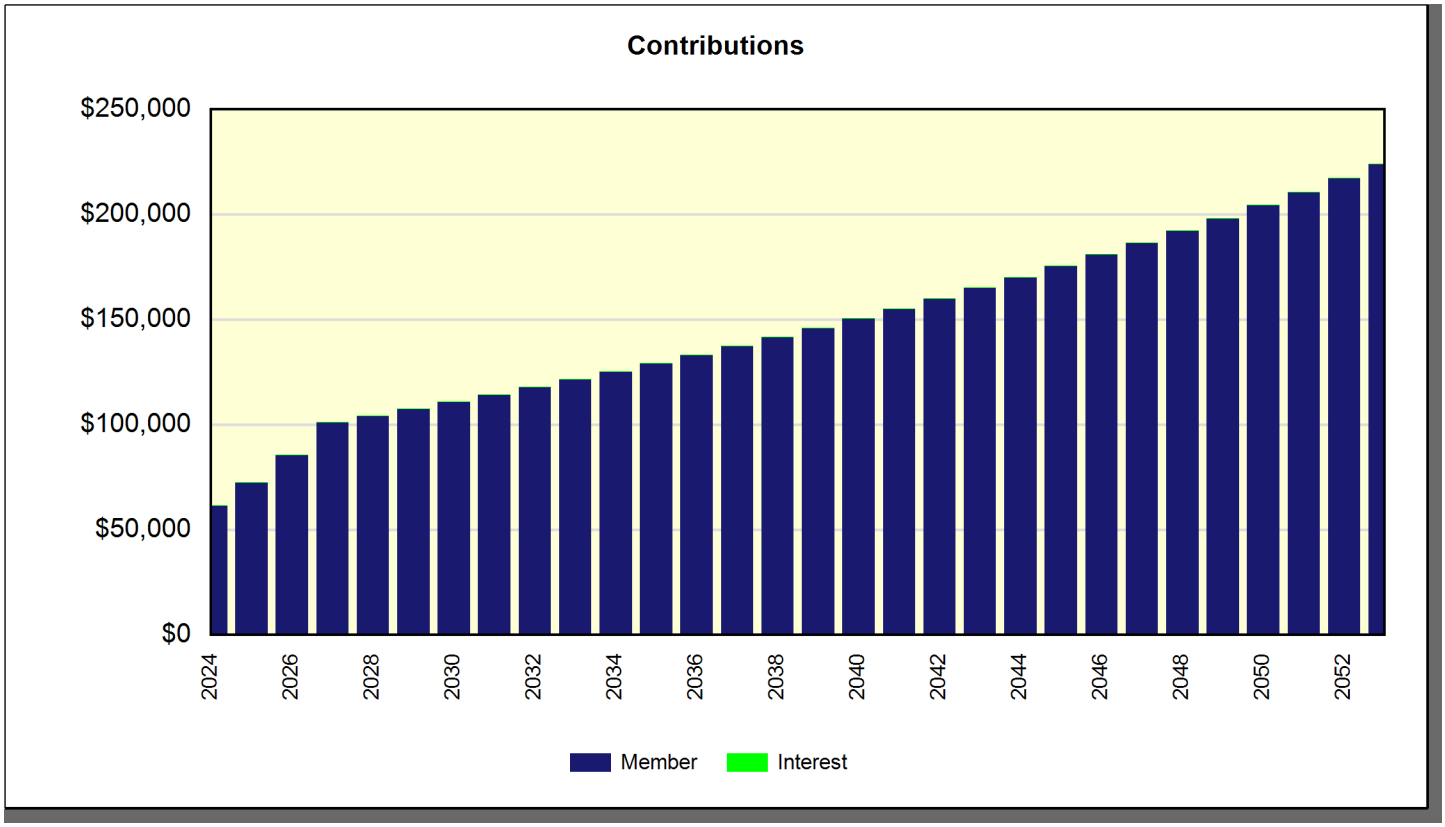
The community manager has advised us that the 2023 reserve contribution is $52,243 ($4,353.60 per month). Based on the reserve schedule of expenses outlined in this report, we have incorporated an 18.00% annual contribution increase from 2024 - 2027, and then a 3.10% annual contribution increase thereafter.

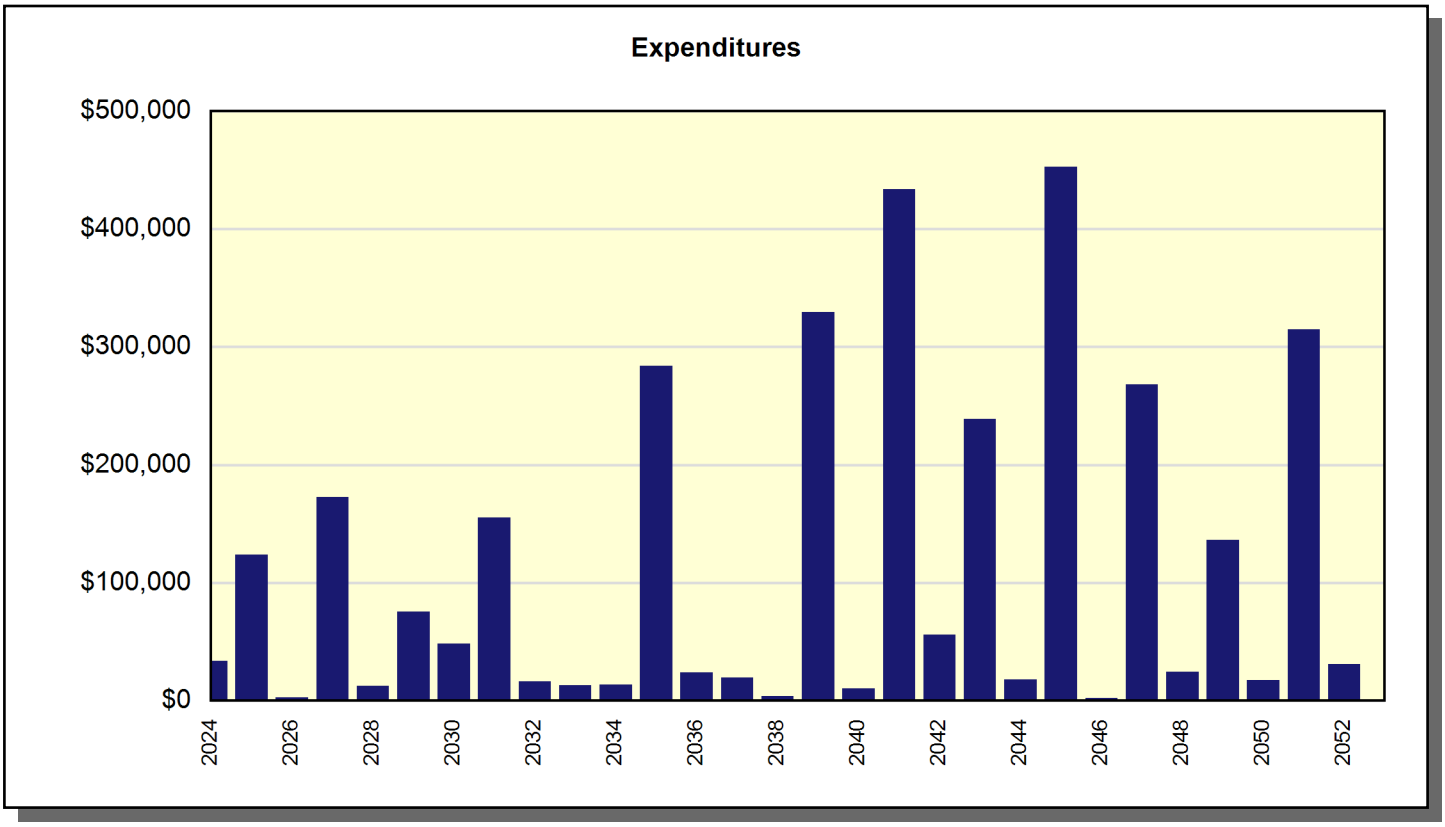
Volterra
Projection Charts
Directed Cash Flow Method





Volterra
Projection Charts
Directed Cash Flow Method





Volterra
Annual Expenditures
Sorted by Alphabetical

2024 Fiscal Year

Grounds: Drywells, Headwalls, Catch Basins	$10,000.00
Grounds: Irrigation Controller #? (Lot 205)	$1,200.00
Grounds: Irrigation Controller #5	$1,200.00
Grounds: Irrigation Controller #6	$1,200.00
Grounds: Irrigation Controller #8	$3,000.00
Paint: Ramada Roof Supports (Tot Lot #1)	$500.00
Paint: Ramada Roof Supports (Tot Lot #2)	$500.00
Paint: Ramada Roof Supports (Tot Lot #3)	$500.00
Paint: Ramada Roof Supports (Tot Lot #4)	$500.00
Paint: Wrought Iron & Trellises	$10,000.00
Tot Lot #3: Picnic Table	$2,500.00
Tot Lot #3: Trash Receptacle	$1,250.00
Tot Lot #4: Trash Receptacle	$1,250.00
Sub Total	**$33,600.00**

2025 Fiscal Year

Grounds: Mailboxes, Pedestal Sets (2005)	$119,480.00
Paint: Steel Split Rail Fencing	$4,635.00
Sub Total	**$124,115.00**

2026 Fiscal Year

Tot Lot #2: Picnic Table	$2,652.25
Sub Total	**$2,652.25**

2027 Fiscal Year

Grounds: Drywells, Headwalls, Catch Basins	$10,927.27
Grounds: Granite Replenishment	$136,590.88
Grounds: Wood Chip Replenishment (Tot Lots)	$12,020.00
Tot Lot #1: SolarKing Components	$3,278.18
Tot Lot #2: SolarKing Components	$3,278.18
Tot Lot #3: SolarKing Components	$3,278.18
Tot Lot #4: SolarKing Components	$3,278.18
Sub Total	**$172,650.87**

2028 Fiscal Year

Tot Lot #1: Trash Receptacles	$2,813.77
Tot Lot #2: Benches	$2,813.77
Tot Lot #2: Trash Receptacle	$1,406.89
Tot Lot #3: Benches	$2,813.77
Tot Lot #4: Benches	$2,836.28
Sub Total	**$12,684.48**

Volterra
Annual Expenditures
Sorted by Alphabetical

2029 Fiscal Year	
Paint: Walls, Wrought Iron, Trellises, Etc.	$75,352.81
Sub Total	**$75,352.81**
2030 Fiscal Year	
Grounds: Drywells, Headwalls, Catch Basins	$11,940.52
Paint: Steel Split Rail Fencing	$5,373.24
Tot Lot #1: Ramada Roof Structure	$9,552.42
Tot Lot #2: Ramada Roof Structure	$7,164.31
Tot Lot #3: Ramada Roof Structure	$7,164.31
Tot Lot #4: Ramada Roof Structure	$7,164.31
Sub Total	**$48,359.12**
2031 Fiscal Year	
Grounds: Granite Replenishment	$153,734.23
Grounds: Irrigation Controller #4	$1,475.85
Sub Total	**$155,210.08**
2032 Fiscal Year	
Grounds: Wood Chip Replenishment (Tot Lots)	$13,934.47
Paint: Ramada Roof Supports (Tot Lot #1)	$633.39
Paint: Ramada Roof Supports (Tot Lot #2)	$633.39
Paint: Ramada Roof Supports (Tot Lot #3)	$633.39
Paint: Ramada Roof Supports (Tot Lot #4)	$633.39
Sub Total	**$16,468.01**
2033 Fiscal Year	
Grounds: Drywells, Headwalls, Catch Basins	$13,047.73
Sub Total	**$13,047.73**
2034 Fiscal Year	
Paint: Wrought Iron & Trellises	$13,439.16
Sub Total	**$13,439.16**
2035 Fiscal Year	
Grounds: Granite Replenishment	$173,029.23
Grounds: Irrigation Controller #1	$1,661.08
Grounds: Irrigation Controller #2	$1,661.08
Grounds: Irrigation Controller #9	$1,661.08
Paint: Steel Split Rail Fencing	$6,229.05
Walls: Block (Repair/Replace)	$99,837.59

Sub Total	**$284,079.12**
2036 Fiscal Year	
Grounds: Drywells, Headwalls, Catch Basins	$14,257.61
Grounds: Irrigation Controller #3	$1,710.91
Grounds: Irrigation Controller #7	$1,710.91
Tot Lot #1: Shade Structure (Fabric)	$6,344.64
Sub Total	**$24,024.07**
2037 Fiscal Year	
Grounds: Wood Chip Replenishment (Tot Lots)	$16,153.87
Tot Lot #4: Picnic Table	$3,671.33
Sub Total	**$19,825.21**
2038 Fiscal Year	
Grounds: Mailboxes, Pedestal Sets (2018)	$3,932.73
Sub Total	**$3,932.73**
2039 Fiscal Year	
Grounds: Drywells, Headwalls, Catch Basins	$15,579.67
Grounds: Granite Replenishment	$194,745.93
Grounds: Irrigation Controller #? (Lot 205)	$1,869.56
Grounds: Irrigation Controller #5	$1,869.56
Grounds: Irrigation Controller #6	$1,869.56
Grounds: Irrigation Controller #8	$4,673.90
Paint: Walls, Wrought Iron, Trellises, Etc.	$101,267.88
Tot Lot #3: Picnic Table	$3,894.92
Tot Lot #3: Trash Receptacle	$1,947.46
Tot Lot #4: Trash Receptacle	$1,947.46
Sub Total	**$329,665.91**
2040 Fiscal Year	
Paint: Ramada Roof Supports (Tot Lot #1)	$802.35
Paint: Ramada Roof Supports (Tot Lot #2)	$802.35
Paint: Ramada Roof Supports (Tot Lot #3)	$802.35
Paint: Ramada Roof Supports (Tot Lot #4)	$802.35
Paint: Steel Split Rail Fencing	$7,221.18
Sub Total	**$10,430.59**
2041 Fiscal Year	
Tot Lot #1: Playstructure	$132,227.81
Tot Lot #2: Picnic Table	$4,132.12
Tot Lot #2: Playstructure	$99,170.86

Tot Lot #3: Playstructure	$102,476.55
Tot Lot #4: Playstructure	$95,865.16
Sub Total	**$433,872.50**

2042 Fiscal Year

Grounds: Drywells, Headwalls, Catch Basins	$17,024.33
Grounds: Wood Chip Replenishment (Tot Lots)	$18,726.76
Tot Lot #1: SolarKing Components	$5,107.30
Tot Lot #2: SolarKing Components	$5,107.30
Tot Lot #3: SolarKing Components	$5,107.30
Tot Lot #4: SolarKing Components	$5,107.30
Sub Total	**$56,180.29**

2043 Fiscal Year

Grounds: Granite Replenishment	$219,188.26
Tot Lot #1: Trash Receptacles	$4,383.77
Tot Lot #2: Benches	$4,383.77
Tot Lot #2: Trash Receptacle	$2,191.88
Tot Lot #3: Benches	$4,383.77
Tot Lot #4: Benches	$4,418.84
Sub Total	**$238,950.27**

2044 Fiscal Year

Paint: Wrought Iron & Trellises	$18,061.11
Sub Total	**$18,061.11**

2045 Fiscal Year

Fencing: Wrought Iron (Replace)	$75,853.51
Grounds: Drywells, Headwalls, Catch Basins	$18,602.95
Grounds: Mailboxes, Pedestal Sets (2005)	$215,794.17
Paint: Steel Split Rail Fencing	$8,371.33
Walls: Block (Repair/Replace)	$134,173.37
Sub Total	**$452,795.33**

2046 Fiscal Year

Grounds: Irrigation Controller #4	$2,299.32
Sub Total	**$2,299.32**

2047 Fiscal Year

Grounds: Granite Replenishment	$246,698.31
Grounds: Wood Chip Replenishment (Tot Lots)	$21,709.45

Sub Total	**$268,407.77**
2048 Fiscal Year	
Grounds: Drywells, Headwalls, Catch Basins	$20,327.94
Paint: Ramada Roof Supports (Tot Lot #1)	$1,016.40
Paint: Ramada Roof Supports (Tot Lot #2)	$1,016.40
Paint: Ramada Roof Supports (Tot Lot #3)	$1,016.40
Paint: Ramada Roof Supports (Tot Lot #4)	$1,016.40
Sub Total	**$24,393.53**
2049 Fiscal Year	
Paint: Walls, Wrought Iron, Trellises, Etc.	$136,095.57
Sub Total	**$136,095.57**
2050 Fiscal Year	
Grounds: Irrigation Controller #1	$2,587.91
Grounds: Irrigation Controller #2	$2,587.91
Grounds: Irrigation Controller #9	$2,587.91
Paint: Steel Split Rail Fencing	$9,704.66
Sub Total	**$17,468.39**
2051 Fiscal Year	
Grounds: Drywells, Headwalls, Catch Basins	$22,212.89
Grounds: Granite Replenishment	$277,661.13
Grounds: Irrigation Controller #3	$2,665.55
Grounds: Irrigation Controller #7	$2,665.55
Tot Lot #1: Shade Structure (Fabric)	$9,884.74
Sub Total	**$315,089.85**
2052 Fiscal Year	
Grounds: Wood Chip Replenishment (Tot Lots)	$25,167.20
Tot Lot #4: Picnic Table	$5,719.82
Sub Total	**$30,887.02**

Paint: Ramada Roof Supports (Tot Lot #1)

Category	030 Painting	Quantity	1 ramada
		Unit Cost	$500.00
		% of Replacement	100.00%
		Current Cost	$500.00
Placed In Service	01/2005	Future Cost	$633.39
Useful Life	8		
		Assigned Reserves at FYB	$500.00
Remaining Life	0	Monthly Member Contribution	$2.71
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.71

This component budgets to repaint the metal roof support structure of the Tot Lot #1 ramada.

Location: 85th Avenue & Florence Ave

Paint: Ramada Roof Supports (Tot Lot #2)

Category	030 Painting	Quantity	1 ramada
		Unit Cost	$500.00
		% of Replacement	100.00%
		Current Cost	$500.00
Placed In Service	01/2005	Future Cost	$633.39
Useful Life	8		
		Assigned Reserves at FYB	$500.00
Remaining Life	0	Monthly Member Contribution	$2.71
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.71

This component budgets to repaint the metal roof support structure of the Tot Lot #2 ramada.

Location: 86th Drive & Payson Road

Paint: Ramada Roof Supports (Tot Lot #3)

Category	030 Painting	Quantity	1 ramada
		Unit Cost	$500.00
		% of Replacement	100.00%
		Current Cost	$500.00
Placed In Service	01/2005	Future Cost	$633.39
Useful Life	8		
		Assigned Reserves at FYB	$500.00
Remaining Life	0	Monthly Member Contribution	$2.71
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.71

This component budgets to repaint the metal roof support structure of the Tot Lot #3 ramada.

Location: 87th Avenue & Miami Street

Paint: Ramada Roof Supports (Tot Lot #4)

Category	030 Painting	Quantity	1 ramada
		Unit Cost	$500.00
		% of Replacement	100.00%
		Current Cost	$500.00
Placed In Service	01/2005	Future Cost	$633.39
Useful Life	8		
		Assigned Reserves at FYB	$500.00
Remaining Life	0	Monthly Member Contribution	$2.71
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.71

This component budgets to repaint the metal roof support structure of the Tot Lot #4 ramada.

Location: 85th Avenue & Forest Grove Avenue

Paint: Steel Split Rail Fencing

Category	030 Painting	Quantity	1 total
		Unit Cost	$4,500.00
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/2020	Future Cost	$4,635.00
Useful Life	5		
		Assigned Reserves at FYB	$3,600.00
Remaining Life	1	Monthly Member Contribution	$67.96
Replacement Year	2025	Monthly Interest Contribution	$0.03
		Total Monthly Contribution	$68.00

This steel split rail fencing scattered throughout the community was last repainted in late 2012. This component includes a provision to repaint the steel split rail fencing every five (5) years.

Paint: Walls, Wrought Iron, Trellises, Etc.

Category	030 Painting	Quantity	1 total
		Unit Cost	$65,000.00
		% of Replacement	100.00%
		Current Cost	$65,000.00
Placed In Service	01/2019	Future Cost	$75,352.81
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$691.77
Replacement Year	2029	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$691.80

Titan Painting repainted the following components in late 2018 at a cost of $52,160:

- perimeter & interior common area facing block walls (90,156 sq. ft.)
- wrought iron view fencing at Lots 238 - 251, 271 - 273, 277 - 280 & 409 - 413 (1,165 LF of 2' fencing)
- decorative metal trellises mounted at various locations to the walls (we counted 42 of them)
- block columns at the four (4) community ramadas

This component budgets to repaint these components every 10 years. For budgeting purposes we have used January 2019 as the basis for aging this component.

Paint: Wrought Iron & Trellises

Category	030 Painting	Quantity	1 total
		Unit Cost	$10,000.00
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/2019	Future Cost	$13,439.16
Useful Life	10		
Adjustment	-5	Assigned Reserves at FYB	$10,000.00
Remaining Life	0	Monthly Member Contribution	$37.52
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$37.52

The wrought iron view fencing & metal trellises attached to the walls at various locations were repainted in late 2018 along with the block walls & block ramada columns. In a separate asset, we are budgeting to repaint all of these components every 10 years. However, this component budgets to repaint the wrought iron view fencing & metal trellises in between each 10 year painting cycle.

Fencing: Steel Split Rail (Unfunded)

Category	040 Fencing/Walls	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

We are not budgeting to replace the steel split rail fencing because it has an indefinite life. Repairs should be handled on an “as needed” basis using operating funds.

Fencing: Wrought Iron (Replace)

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	$40,775.00
		% of Replacement	100.00%
		Current Cost	$40,775.00
Placed In Service	01/2005	Future Cost	$75,853.51
Useful Life	40		
		Assigned Reserves at FYB	$0.00
Remaining Life	21	Monthly Member Contribution	$28.62
Replacement Year	2045	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$28.62

This component budgets to replace the wrought iron view fencing at Lots 238 - 251, 271 - 273, 277 - 280 & 409 - 413:

1,165 LF of 2' fencing	@	$35.00	=	$40,775.00
		TOTAL	=	$40,775.00

Walls: Block (Repair/Replace)

Category	040 Fencing/Walls	Quantity	90,156 sq. ft.
		Unit Cost	$40.00
		% of Replacement	2.00%
		Current Cost	$72,124.80
Placed In Service	01/2005	Future Cost	$99,837.59
Useful Life	10		
Adjustment	+20	Assigned Reserves at FYB	$0.00
Remaining Life	11	Monthly Member Contribution	$227.99
Replacement Year	2035	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$228.01

This component will accumulate funds for 30 years, and then on a continuous 10 year cycle, for the major repair/replacement of a percentage of the common area facing block walls. The accumulated funds should be used “as needed”, and the percentage budgeted for repair/replacement should be adjusted over time as conditions dictate.

Tot Lot #1: Playstructure

Category	061 Tot Lot #1	Quantity	1 total
		Unit Cost	$80,000.00
		% of Replacement	100.00%
		Current Cost	$80,000.00
Placed In Service	01/2021	Future Cost	$132,227.81
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$99.72
Replacement Year	2041	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$99.72

A new Playcraft Systems playstructure was installed in late 2020 at a cost of $71,447.37.

Location: 85th Avenue & Florence Ave

Tot Lot #1: Ramada Roof Structure

Category	061 Tot Lot #1	Quantity	1 total
		Unit Cost	$8,000.00
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/2005	Future Cost	$9,552.42
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$66.44
Replacement Year	2030	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$66.45

This component includes a provision to replace the corrugated metal ramada roof structure (20' x 20').

Location: 85th Avenue & Florence Ave

Tot Lot #1: Shade Structure (Fabric)

Category	061 Tot Lot #1	Quantity	890 sq. ft.
		Unit Cost	$5.00
		% of Replacement	100.00%
		Current Cost	$4,450.00
Placed In Service	01/2021	Future Cost	$6,344.64
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$11.93
Replacement Year	2036	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$11.93

A hip/ridge shade structure was installed in 2019. This component budgets to replace the cables & fabric.

Location: 85th Avenue & Florence Ave

Tot Lot #1: SolarKing Components

Category	061 Tot Lot #1	Quantity	1 total
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	06/2012	Future Cost	$3,278.18
Useful Life	15		
		Assigned Reserves at FYB	$2,382.86
Remaining Life	3	Monthly Member Contribution	$16.45
Replacement Year	2027	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$16.47

This component will accumulate funds on a 15 year cycle for the replacement of the following SolarKing components at Tot Lot #1 on an "as needed" basis:

- pole mounted light fixtures
- ramada light fixture
- controllers
- batteries

Location: 85th Avenue & Florence Ave

Tot Lot #1: Trash Receptacles

Category	061 Tot Lot #1	Quantity	2 trash receptacles
		Unit Cost	$1,250.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/2013	Future Cost	$2,813.77
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$35.44
Replacement Year	2028	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$35.44

The two trash receptacles were purchased/installed in late 2012.

Location: 85th Avenue & Florence Ave

Tot Lot #2: Benches

Category	062 Tot Lot #2	Quantity	2 benches
		Unit Cost	$1,250.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/2013	Future Cost	$2,813.77
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$35.44
Replacement Year	2028	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$35.44

The backs & seats of the two benches were replaced in late 2012. This component budgets to replace these 6' benches.

Location: 86th Drive & Payson Road

Tot Lot #2: Picnic Table

Category	062 Tot Lot #2	Quantity	1 picnic table
		Unit Cost	$2,500.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/2013	Future Cost	$2,652.25
Useful Life	15		
Adjustment	-2	Assigned Reserves at FYB	$2,115.38
Remaining Life	2	Monthly Member Contribution	$16.16
Replacement Year	2026	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$16.18

The table top & seats of the picnic table were replaced in late 2012. This component budgets to replace this picnic table with a 6' multi-pedestal picnic table in 2026.

Location: 86th Drive & Payson Road

Tot Lot #2: Playstructure

Category	062 Tot Lot #2	Quantity	1 total
		Unit Cost	$60,000.00
		% of Replacement	100.00%
		Current Cost	$60,000.00
Placed In Service	05/2021	Future Cost	$99,170.86
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$74.79
Replacement Year	2041	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$74.79

A new Playcraft Systems playstructure was installed in 2021 at a cost of $53,171.53.

Location: 86th Drive & Payson Road

Tot Lot #2: Ramada Roof Structure

Category	062 Tot Lot #2	Quantity	1 total
		Unit Cost	$6,000.00
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/2005	Future Cost	$7,164.31
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$49.83
Replacement Year	2030	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$49.84

This component includes a provision to replace the corrugated metal ramada roof structure (16' x 16').

Location: 86th Drive & Payson Road

Tot Lot #2: SolarKing Components

Category	062 Tot Lot #2	Quantity	1 total
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	06/2012	Future Cost	$3,278.18
Useful Life	15		
		Assigned Reserves at FYB	$2,382.86
Remaining Life	3	Monthly Member Contribution	$16.45
Replacement Year	2027	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$16.47

This component will accumulate funds on a 15 year cycle for the replacement of the following SolarKing components at Tot Lot #2 on an "as needed" basis:

- pole mounted light fixtures
- ramada light fixture
- controllers
- batteries

Location: 86th Drive & Payson Road

Tot Lot #2: Trash Receptacle

Category	062 Tot Lot #2	Quantity	1 trash receptacle
		Unit Cost	$1,250.00
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/2013	Future Cost	$1,406.89
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$17.72
Replacement Year	2028	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$17.72

The trash receptacle was replaced in late 2012.

Location: 86th Drive & Payson Road

Tot Lot #3: Benches

Category	063 Tot Lot #3	Quantity	2 benches
		Unit Cost	$1,250.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/2013	Future Cost	$2,813.77
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$35.44
Replacement Year	2028	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$35.44

The backs & seats of the two benches were replaced in late 2012. This component budgets to replace these 6' benches.

Location: 87th Avenue & Miami Street

Tot Lot #3: Picnic Table

Category	063 Tot Lot #3	Quantity	1 picnic table
		Unit Cost	$2,500.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/2013	Future Cost	$3,894.92
Useful Life	15		
Adjustment	-4	Assigned Reserves at FYB	$2,500.00
Remaining Life	0	Monthly Member Contribution	$4.19
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$4.20

The table top & seats of the picnic table were replaced in late 2012. This component budgets to replace this picnic table with a 6' multi-pedestal picnic table in 2024.

Location: 87th Avenue & Miami Street

Tot Lot #3: Playstructure

Category	063 Tot Lot #3	Quantity	1 total
		Unit Cost	$62,000.00
		% of Replacement	100.00%
		Current Cost	$62,000.00
Placed In Service	05/2021	Future Cost	$102,476.55
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$77.28
Replacement Year	2041	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$77.28

A new Playcraft Systems playstructure was installed in 2021 at a cost of $55,363.47.

Location: 87th Avenue & Miami Street

Tot Lot #3: Ramada Roof Structure

Category	063 Tot Lot #3	Quantity	1 total
		Unit Cost	$6,000.00
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/2005	Future Cost	$7,164.31
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$49.83
Replacement Year	2030	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$49.84

This component includes a provision to replace the corrugated metal ramada roof structure (16' x 16').

Location: 87th Avenue & Miami Street

Tot Lot #3: SolarKing Components

Category	063 Tot Lot #3	Quantity	1 total
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	06/2012	Future Cost	$3,278.18
Useful Life	15		
		Assigned Reserves at FYB	$2,382.86
Remaining Life	3	Monthly Member Contribution	$16.45
Replacement Year	2027	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$16.47

This component will accumulate funds on a 15 year cycle for the replacement of the following SolarKing components at Tot Lot #3 on an "as needed" basis:

- pole mounted light fixtures
- ramada light fixture
- controllers
- batteries

Location: 87th Avenue & Miami Street

Tot Lot #3: Trash Receptacle

Category	063 Tot Lot #3	Quantity	1 trash receptacle
		Unit Cost	$1,250.00
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/2013	Future Cost	$1,947.46
Useful Life	15		
Adjustment	-4	Assigned Reserves at FYB	$1,250.00
Remaining Life	0	Monthly Member Contribution	$2.10
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.10

The trash receptacle was replaced in late 2012. This component budgets to replace the trash receptacle in 2024, and then on a 15 year cycle.

Location: 87th Avenue & Miami Street

Tot Lot #4: Benches

Category	064 Tot Lot #4	Quantity	2 benches
		Unit Cost	$1,260.00
		% of Replacement	100.00%
		Current Cost	$2,520.00
Placed In Service	01/2013	Future Cost	$2,836.28
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$35.72
Replacement Year	2028	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$35.72

The backs & seats of the two benches were replaced in late 2012. This component budgets to replace these 6' benches.

Location: 85th Avenue & Forest Grove Avenue

Tot Lot #4: Picnic Table

Category	064 Tot Lot #4	Quantity	1 picnic table
		Unit Cost	$2,500.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	02/2022	Future Cost	$3,671.33
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$5.71
Replacement Year	2037	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$5.71

This is a 6' multi-pedestal picnic table was purchased/installed in February 2022 at a cost of $2,414.02.

Location: 85th Avenue & Forest Grove Avenue

Tot Lot #4: Playstructure

Category	064 Tot Lot #4	Quantity	1 total
		Unit Cost	$58,000.00
		% of Replacement	100.00%
		Current Cost	$58,000.00
Placed In Service	01/2021	Future Cost	$95,865.16
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$72.29
Replacement Year	2041	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$72.30

A new Playcraft Systems playstructure was installed in 2021 at a cost of $51,082.07.

Location: 85th Avenue & Forest Grove Avenue

Tot Lot #4: Ramada Roof Structure

Category	064 Tot Lot #4	Quantity	1 total
		Unit Cost	$6,000.00
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/2005	Future Cost	$7,164.31
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$49.83
Replacement Year	2030	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$49.84

This component includes a provision to replace the corrugated metal ramada roof structure (16' x 16').

Location: 85th Avenue & Forest Grove Avenue

Tot Lot #4: SolarKing Components

Category	064 Tot Lot #4	Quantity	1 total
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	06/2012	Future Cost	$3,278.18
Useful Life	15		
		Assigned Reserves at FYB	$2,382.86
Remaining Life	3	Monthly Member Contribution	$16.45
Replacement Year	2027	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$16.47

This component will accumulate funds on a 15 year cycle for the replacement of the following SolarKing components at Tot Lot #4 on an "as needed" basis:

- pole mounted light fixtures
- ramada light fixture
- controllers
- batteries

Location: 85th Avenue & Forest Grove Avenue

Tot Lot #4: Trash Receptacle

Category	064 Tot Lot #4	Quantity	1 trash receptacle
		Unit Cost	$1,250.00
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/2013	Future Cost	$1,947.46
Useful Life	15		
Adjustment	-4	Assigned Reserves at FYB	$1,250.00
Remaining Life	0	Monthly Member Contribution	$2.10
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.10

The trash receptacle was replaced in late 2012. This component budgets to replace the trash receptacle in 2024, and then on a 15 year cycle.

Location: 85th Avenue & Forest Grove Avenue

Grounds: Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

We are not budgeting for repair or replacement of concrete components in this analysis. It is anticipated that any repairs/replacements required will be addressed immediately due to safety concerns. There should not be a need for complete replacement at a single point in time, and good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that a line item be set up in the annual operating budget to account for potential concrete repairs/replacements on an "as needed" basis. However, should the client wish to include budgeting for concrete components as a reserve expense, we will do so at their request (cost and useful life to be provided by client).

NOTE: The above comments also apply to the concrete benches & picnic tables at the Tot Lot #1 play area.

Grounds: Drywells, Headwalls, Catch Basins

Category	100 Grounds	Quantity	1 total
		Unit Cost	$10,000.00
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/2019	Future Cost	$10,927.27
Useful Life	3		
		Assigned Reserves at FYB	$10,000.00
Remaining Life	0	Monthly Member Contribution	$200.91
Replacement Year	2024	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$200.92

We located 13 drywells in the community water retention tracts. Additionally, there are headwalls & catch basins scattered throughout the community. In May 2016, $3,750 was spent to hydrovac clean six headwalls & one catch basin, to replace a damaged drywell standpipe debris screen, and to install standpipe reinforcement brackets in two drywells. In 2019, $4,123.39 was spent on an unknown scope of work. Going forward, this component continues to accumulate funds on a three year cycle for the repair & hydrovac cleaning of the drywells, headwalls & catch basins on an "as needed" basis. The budgeted amount & useful life cycle can be adjusted in the future based on inspection reports. The following comments apply:

Drywell systems should be inspected annually to determine how much debris has accumulated in the system and to develop a clean out schedule. Some drywell systems will require immediate repair of broken components and clean out, while others won't require maintenance for a number of years. On average, drywell systems require clean out every 5 - 7 years. A drywell should be cleaned out once 10% or more of the chamber is occupied. If maintained properly, drywells are designed to last as long as any other part of the community infrastructure. Thus, no provision has been included for their replacement.

Grounds: Granite Replenishment

Category	100 Grounds	Quantity	1 total
		Unit Cost	$125,000.00
		% of Replacement	100.00%
		Current Cost	$125,000.00
Placed In Service	04/2023	Future Cost	$136,590.88
Useful Life	4		
		Assigned Reserves at FYB	$13,979.57
Remaining Life	3	Monthly Member Contribution	$2,254.29
Replacement Year	2027	Monthly Interest Contribution	$0.24
		Total Monthly Contribution	$2,254.53

There is approximately 1,077,000 sq. ft. of common area granite throughout the community. In 2015/2016, the Association spent $29,335.68 to replenish granite in a few areas. In April 2023, $29,186.85 was spent to replenish granite in two sections. Going forward, this component includes a provision of $125,000 (current cost) every four years for granite replenishment. The client will need to determine the locations where it is most needed. Should the client wish to budget for granite replenishment in a different manner, we will do so at their request.

NOTE: In 2023, the client paid $98/ton, plus tax, for the purchase/delivery/installation of 275 tons.

Grounds: Irrigation Controller #? (Lot 205)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2005	Future Cost	$1,869.56
Useful Life	15		
		Assigned Reserves at FYB	$1,200.00
Remaining Life	0	Monthly Member Contribution	$2.01
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.01

This is a Rain Bird, ESP-8MC controller.

There is no Controller # indicated. This controller is located at Lot 205.

Grounds: Irrigation Controller #1

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2020	Future Cost	$1,661.08
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	11	Monthly Member Contribution	$3.79
Replacement Year	2035	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$3.79

This is an Irritrol Total Control, 24 station controller.

Grounds: Irrigation Controller #2

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2020	Future Cost	$1,661.08
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	11	Monthly Member Contribution	$3.79
Replacement Year	2035	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$3.79

This is an Irritrol Total Control, 24 station controller.

Grounds: Irrigation Controller #3

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2021	Future Cost	$1,710.91
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$3.22
Replacement Year	2036	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$3.22

This is an Irritrol Total Control, 24 station controller.

Grounds: Irrigation Controller #4

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	05/2016	Future Cost	$1,475.85
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$7.98
Replacement Year	2031	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$7.98

This is a Hunter I-Core, 30 station controller (installed in May 2016 at a cost of $708.69).

Grounds: Irrigation Controller #5

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2005	Future Cost	$1,869.56
Useful Life	15		
		Assigned Reserves at FYB	$1,200.00
Remaining Life	0	Monthly Member Contribution	$2.01
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.01

This is a Rain Bird, ESP-24MC controller.

Grounds: Irrigation Controller #6

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2005	Future Cost	$1,869.56
Useful Life	15		
		Assigned Reserves at FYB	$1,200.00
Remaining Life	0	Monthly Member Contribution	$2.01
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.01

This is a Rain Bird, ESP-24MC controller.

Grounds: Irrigation Controller #7

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2021	Future Cost	$1,710.91
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$3.22
Replacement Year	2036	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$3.22

This is an Irritrol Total Control, 24 station controller.

Grounds: Irrigation Controller #8

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/2005	Future Cost	$4,673.90
Useful Life	15		
		Assigned Reserves at FYB	$3,000.00
Remaining Life	0	Monthly Member Contribution	$5.03
Replacement Year	2024	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$5.03

This is a Rain Bird, ESP-40MC controller.

Grounds: Irrigation Controller #9

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/2020	Future Cost	$1,661.08
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	11	Monthly Member Contribution	$3.79
Replacement Year	2035	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$3.79

This is an Irritrol Total Control, 24 station controller.

Grounds: Irrigation System (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Irrigation systems are one of the most difficult items to budget for without specific information provided by an expert who is familiar with the system inventory and system condition. We have been advised by irrigation system experts that most system components (piping, sprinkler heads, valves, etc) have a useful life of 20+ years. However, budgeting for the replacement of an irrigation system requires evaluation of the present condition (to identify remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study.

Therefore, we recommend that the Association board and/or management company have the system evaluated to determine the appropriate scope of work, projected replacement cost and remaining life, all of which are necessary so that budgeting can be included in a revision or future update of this analysis.

Grounds: Mailboxes, Pedestal Sets (2005)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$116,000.00
		% of Replacement	100.00%
		Current Cost	$116,000.00
Placed In Service	01/2005	Future Cost	$119,480.00
Useful Life	20		
		Assigned Reserves at FYB	$110,200.00
Remaining Life	1	Monthly Member Contribution	$608.87
Replacement Year	2025	Monthly Interest Contribution	$0.91
		Total Monthly Contribution	$609.78

These are original mailbox sets installed in 2005.

1	8 box set w/2 parcel lockers	@	$2,600.00	=	$2,600.00
14	12 box sets w/1 parcel locker	@	$2,700.00	=	$37,800.00
27	16 box sets w/2 parcel lockers	@	$2,800.00	=	$75,600.00
			TOTAL	=	$116,000.00

Grounds: Mailboxes, Pedestal Sets (2018)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$2,600.00
		% of Replacement	100.00%
		Current Cost	$2,600.00
Placed In Service	01/2018	Future Cost	$3,932.73
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	14	Monthly Member Contribution	$5.08
Replacement Year	2038	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$5.08

This mailbox set lists a manufactured date of December 2017 - we have used January 2018 as the basis for aging it.

Location: 84th Lane & Winslow

1	8 box set w/2 parcel lockers	@	$2,600.00	=	$2,600.00
			TOTAL	=	$2,600.00

Grounds: Tree Trimming (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Tree trimming is accounted for in the client's operating budget.

Grounds: Wood Chip Replenishment (Tot Lots)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$11,000.00
		% of Replacement	100.00%
		Current Cost	$11,000.00
Placed In Service	09/2022	Future Cost	$12,020.00
Useful Life	5		
		Assigned Reserves at FYB	$3,384.62
Remaining Life	3	Monthly Member Contribution	$158.75
Replacement Year	2027	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$158.79

$10,219.68 was spent in September 2022 to replenish the wood fiber chips at the four playstructure play areas. This component budgets to replenish the wood fiber chips every five (5) years.

Volterra
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